

# Public Service Pensioners' Council

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Sir,

The switch from retail prices index (RPI) to CPI (consumer price index) inflation for the indexation of pensions appears innocuous, but will have a severe impact on pensioners' living standards (Emergency Budget June 23)

If RPI exceeds CPI by 1 per cent a year, a public service pensioner retiring with a £5,000 pension will lose over £22,000 over the course of a 25-year retirement. Those with additional state pensions such as SERPS will be similarly affected.

Phillip Hammond MP, the then Conservative Treasury spokesperson, gave assurances before the Election (in a letter to the Civil Service Pensioners' Alliance in April) that the Conservative Party had 'no plans to change the current index-linking of pensions in payment'. This promise has not lasted two months before being broken.

Yours sincerely

ANDREW MORRIS  
General Secretary – Public Service Pensioners' Council

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